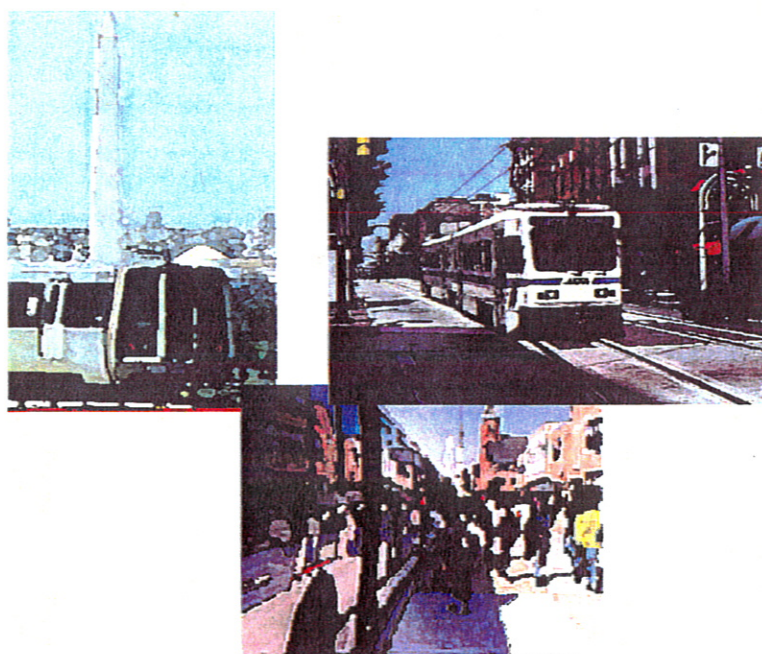

Report to
Governor Parris N. Glendening
from the
TRANSIT-ORIENTED-DEVELOPMENT
TASK FORCE



Maryland Department of Transportation
December 2000

EXECUTIVE SUMMARY

I. INTRODUCTION AND BACKGROUND

On September 29, 2000, Governor Parris Glendening signed Executive Order No. 01.01.2000.20, which established a Special Task Force for Transit-Oriented Development (TOD). The charge to the Task Force was, by December 30, 2000, to identify TOD benefits and prepare a prioritized set of recommendations for maximizing TOD benefits for the State of Maryland.

II. UNDERSTANDING OF PROBLEM

The Task Force agrees that current real estate development markets are dominated by low-density patterns of land use, and that low-density development results in large part from interactions between low land costs, a powerful need to accommodate automobiles, and the high cost of building structured parking compared to surface parking. The Task Force also agrees that low-density development patterns impose substantial social, environmental, and economic costs for which TODs offer a potentially powerful remedy.

The Task Force has identified a suite of financial, regulatory, and institutional obstacles that make it difficult to achieve the many well-documented TOD benefits. These include:

- ◆ Land use regulations and the practice of planning and development at the local level;
- ◆ Demographic trends, public perceptions of more urbanized environments, and “NIMBY-ism”;
- ◆ The failure of local, state, and regional agencies to establish institutional mechanisms that prioritize TODs and facilitate inter-agency coordination; and
- ◆ The scarcity of ready mechanisms to finance complex, non-traditional development projects, structured parking, and bike and pedestrian facilities.

In sum, the Task Force agrees that the fundamental policy problem is (a) that there are many TOD benefits; (b) that TOD represents the single most powerful tool in the toolkit to move the Smart Growth agenda forward; and that (c) there are many difficulties associated with achieving TOD benefits.

III. TOD “VISION STATEMENT” AND DEFINITION

To guide its efforts to identify and recommend solutions, the Task Force prepared a Vision Statement and TOD definition. The Vision Statement recognizes the paramount role of TOD in supporting economic competitiveness, environmental, mobility & accessibility, and social equity throughout the State of Maryland.

The definition defines a TOD as “a place of relatively higher density that includes a mixture of residential, employment, shopping and civic uses and types located within an easy walk of a bus or rail transit center. The development design gives preference to the pedestrian and bicyclists, and may be accessed by automobiles.”

The Task Force agrees that its vision for TODs in Maryland was applicable to a range of development intensities (including urban, suburban, and rural areas experiencing—or anticipating experiencing—growth pressures), to bus and rail transit, and to diverse demographic and income groups.

IV. TARGETED SOLUTIONS AND RECOMMENDATIONS

The Task Force emphasizes that a range of solutions is desirable to move TOD forward in Maryland. As a result, the Task Force’s recommendations include solutions that:

- A. Provide financing options at the developer, local government, and household levels;
- B. Combine State backing—in terms of resources and guarantees—with strong local partnerships so that TODs move forward in Maryland on broad-based support; and
- C. Establish ongoing oversight by an Advisory Council that is focused on moving TOD forward in the State.

Planning & Zoning

As its top priorities in the Planning & Zoning area, the Task Force recommends that the State of Maryland:

- A. Examine development codes to identify barriers to TOD and recommend changes.
- B. Link eligibility of State TOD incentives to local government adoption of TOD-friendly planning, zoning, TOD supportive infrastructure policies and financing, TOD supportive housing programs, and/or other measures. Specifics of the linkage mechanism should be established by State staff.
- C. Support local government adoption of TOD-friendly planning, zoning, TOD supportive infrastructure policies and financing, TOD supportive housing programs, and/or other measures by developing model codes and by assisting in the local development of community-appropriate, customized solutions that implement the purpose and intent of the model TOD codes to promote active, income-diverse pedestrian- and transit-friendly communities.

Market Feasibility and Finance

As its top priorities in the Market Feasibility & Finance area, the Task Force recommends that the State of Maryland:

- A. Create a “capitalized” TOD Revolving Loan Fund through MDOT for “gap” financing for TODs. This program could be administered similarly to the DHCD program for Neighborhood Business Development Programs.
- B. Define & implement a program for financing bicycle & pedestrian facilities in all TODs, and for financing structured parking for TODs where the supply of parking has been “pinched” by the redevelopment of existing surface parking as new real estate or by reductions in the amount of allowable parking in new residential and/or commercial development. The Maryland Transportation Authority could act as the financing agency.
- C. Provide the State’s full faith and credit to TOD-zone TIF districts.

Institutional Relations & Communications

As its top priority in the Institutional Relations & Communications area, the Task Force recommends that the State of Maryland:

- A. Create an appointed “TOD Advisory Council” that functions as a Board of Directors for the process of (1) the State’s provision of support for local government adoption of TOD-friendly planning, zoning, infrastructure adequacy, housing, and/or other measures; and (2) developing linkages between eligibility for State TOD incentives and local government adoption of TOD-friendly planning, zoning, infrastructure adequacy, housing, and/or other measures

State Policies & Practices

As its top priorities in the State Policies & Practices area, the Task Force recommends that the State of Maryland:

- A. Authorize TOD as an explicit transportation-related purpose. Give a clear grant of authority to MDOT to make TOD an explicit transportation-related purpose and provide MDOT with increased flexibility to acquire and dispose of property for TOD purposes.
- B. Study opportunities to emphasize TODs in existing State programs
- C. Establish policy for replacement of surface parking and funding of structure parking for commuters, and establish policy for support of TMA applications for new development at TODs.

I. INTRODUCTION AND BACKGROUND

One of the major policy initiatives of the Glendening administration has been to advance Smart Growth development principles from concept to reality. The early years of the administration have focused on establishing a broad framework for this effort. With the Smart Growth policy infrastructure now in place, the administration has begun to address specific, complex Smart Growth implementation issues such as the intersection between transit investments and livable communities. This report documents the work of the Task Force for Transit-Oriented-Development (TOD) over three meetings in December 2000 and offers our findings and recommendations to Governor Parris Glendening.

The Governor convened the Task Force to review information on the characteristics, benefits, and challenges associated with implementing Transit-Oriented-Development in the State of Maryland, and to issue recommendations on how these barriers could be removed or overcome through legislation, policy, incentives, or other actions. Specifically, the Governor's Executive Order stipulated that the Task Force:

- 1) "Identify and assess the primary and secondary benefits of Transit-Oriented-Development;
- 2) Recommend general and specific program priorities to maximize the primary and secondary benefits of Transit-Oriented-Development;
- 3) Recommend guidelines and methods for implementing Transit-Oriented-Development around the State's transit systems, including but not limited to the development of ideas for funding of Transit-Oriented-Development areas, incentive funding for Transit-Oriented-Development, additional business and community support mechanisms and other legislative and administrative actions; and
- 4) After considering the conclusions on the items listed above, make recommendations for marketing and for Year 2001 initiatives"¹.

During its deliberations, the Task Force has repeatedly observed that the State of Maryland is well positioned to succeed in accelerating TOD implementation across the state. The Task Force has also noted the impressive array of building blocks that are already in place or moving forward to facilitate the realization of a successful TOD strategy in Maryland.

The Task Force strongly believes that TOD is one of the most important tools available to shape growth and breathe vitality into the areas in ways that support the State's

¹ On September 29, 2000, Governor Parris Glendening signed Executive Order No. 01.01.2000.20, which established a Special Task Force for Transit-Oriented Development.

Smart Growth agenda. Yet before TOD can be more broadly implemented, there are a number of challenges and barriers in the planning, financing and project implementation within the state of Maryland that require attention now. The Task Force's recommendations present prioritized solutions to address this important area immediately, and they fulfill the requirements of the Executive Order to submit recommendations by December 30, 2000.

The results of the Task Force's deliberation are reflected in the following four report sections: Section II: *Understanding of the Problem*; Section III: TOD "Vision Statement" and *Definition*; Section IV: *Targeted Solutions and Recommendations*; Section V: *Next Steps*. In addition, this Task Force report includes a set of Appendices that present the Task Force membership and biographies, Task Force meeting minutes, summaries of several TOD-supportive policies, plans, and programs that are already in place in the State of Maryland, and detailed descriptions of the Task Force's recommendations.

II. UNDERSTANDING OF PROBLEM

Much research has demonstrated the benefits of Transit-Oriented-Development around the country. These benefits include increased economic efficiency, improvements in the environment and in human health, increased efficiency of transportation system investment, strengthened community fabric, and more widespread accessibility of employment opportunities.

At the same time, many communities have experienced difficulties getting access to the benefits that Transit-Oriented-Development promises. Local government staff may understand the principles of TOD-supportive zoning and development codes, but may not have the resources to write them. Progressive developers may be interested in building transit-oriented projects but be dissuaded by the scarcity of lenders willing to commit to non-traditional development projects. In short, for a variety of reasons it has been more difficult to realize the promise of Transit-Oriented-Development than TOD proponents would hope.

To frame this problem more definitively, this section of our report presents a detailed assessment of the benefits available through Transit-Oriented-Development and a detailed assessment of the major challenges and obstacles to making Transit-Oriented-Development around the State.

II.A Benefits of Transit-Oriented-Development

In reviewing the state-of-the practice with TOD in Maryland and across the United States, the Task Force identified numerous benefits and is confident that TOD is one of the most important tools available to further Maryland's Smart Growth strategy. In already developed areas and in areas where transit service is planned for expansion, TOD can be an important tool to help foster infill development and breathe life back into communities, to enhance the natural environment, to make transit a tool for community reinvestment across the state, and to generate a greater return on the state's

investment in transit. Further, the Task Force finds that the benefits of TOD are equally available to areas with wide ranging intensities of development around the State.

Specifically, the Task Force has identified the following detailed benefits of TOD:

Economic Reasons

Transit-Oriented-Development is a way to capitalize on the public's investment in transit, and to guide future transit service planning, since locating residential and office development near transit generally assures higher transit utilization over time and a greater return on the transit investment. Building near transit is not only good for transit, it is also good for developers, since residential and commercial projects near transit have been shown to appreciate in value more rapidly than those in other locations.

Social Reasons

Transit-Oriented-Development can serve as an instrument of renewal and revitalization, breathing new life into deteriorating neighborhoods. TOD projects can help revitalize neighborhoods and create focal points for community life. Housing near transit can provide more affordable places to live, and one where access to jobs and activities is higher. Persons living or working in TODs can potentially avoid congested highways for some or all of their travel needs.

Environmental Reasons

Residents who live near transit drive less, and as a result contribute less to traffic congestion, VMT and air and water pollution. Transit-Oriented-Development is directly supportive of the principles of "Smart Growth" in fighting sprawl and traffic congestion by providing transportation, housing, and employment choice.

More specifically, through its deliberations, the Task Force has identified the following categories and specific kinds of benefits that are generally associated with TOD implementation:

Transportation Benefits

- o *Increased transit use* -- Transit ridership is increased by the creation of TODs.
- o *Reduced automobile dependency* -- Automobile use is reduced by the increased use of transit and other modes.
- o *Reduced demand for roads* -- The need for additional roadways is deferred or avoided.
- o *Increased use of non-motorized transportation* -- Walking and bicycle trips increase with compact mixed use TODs.
- o *Mobility Improvements* -- Overall mobility of residents is increased with the availability of additional transportation options.

Economic Benefits

- υ *Wise Management of Public Resources* -- Maximize the effectiveness of the public's investment in transit and other community infrastructure by making transit a more attractive mode to use.
- υ *Business Development* -- Maryland's competitiveness in terms of attracting and retaining business is substantially increased and business access to labor markets is improved.
- υ *Jobs Access and Reverse Commute* -- Job access for all workers is improved.
- υ *More Efficient Provision of Public Services and Long-term Value* -- Compact, mixed use development patterns—typified by TOD—can be served by the public sector at reduced per-unit costs compared to low-density development patterns. In addition, TOD-type development preserves real estate value for a longer timeframe than single-use, low-density development patterns.

Social Benefits

- υ *Equity* -- Providing all persons with expanded access to jobs, goods and services, particularly those persons unable to drive.
- υ *Diversity* -- Diverse communities are encouraged and reinforced.
- υ *Safety* -- Community safety comes with busy and active environments.
- υ *Public Involvement* -- Community involvement in local decision-making brings about development and design that is embraced by and serves the community.

Environmental Benefits

- υ *Air Quality* -- Air quality is improved by reducing Vehicle Miles Traveled and increasingly healthful air reduces health-related costs associated with air pollution.
- υ *Water Quality* -- Water quality is improved by reducing peak loadings on waterways associated with impervious surfaces in sprawling development; by reducing deposition of toxic materials on roadways through VMT reductions; and by increasing the amount of undeveloped land available for aquifer groundwater recharging, and reducing erosion and siltation.
- υ *Greenhouse Gases* -- Reduction of GHG emissions through reductions in VMT.
- υ *Visual Appeal* -- Improved aesthetics and appeal of the built environment due to preservation of greenspaces and elimination of unsightly strip development.

II.B. Challenges and Barriers

In reviewing the prospects of TOD in Maryland, the Task Force has identified a range of challenges and barriers similar to the range encountered by many other communities around the country.

Many barriers lie in the perceptions of the development and finance community. The Congress for the New Urbanism (CNU) has recently noted that as more developers

pursue Traditional Neighborhood Development and TOD, many developers believe they face significant obstacles in obtaining financing for their projects. Examples of these perceived barriers include: (1) difficulties obtaining financing for vertical mixed use structures; (2) lender resistance to lower-than-typical parking provision; and (3) lender or investor resistance to emerging central city locations.

Another important barrier relates to tensions between the regional and local aspects of TOD development. From a system planning point of view, state and regional perspectives on TOD development are unavoidable and may be quite powerful. At the local level, however, development projects that may make sense from a system perspective may not be consistent with local policy and may arouse civic concerns.

Yet another set of barriers to TOD is based on the inexperience of local governments and transit system operators in creating development codes and system designs that support the development of the design features that are critical to making TODs both appealing from a consumer and user perspective and successful from a policy and planning perspective.

Through its deliberations, the Task Force has identified the following categories and specific kinds of challenges and barriers to TOD implementation:

Local Planning, Zoning and Code Issues

- u Parking codes are not supportive of TOD objectives of compact development and increasing transit use.
- u Transit is a regional planning issue, whereas TOD is a local planning issue.
- u "Transit supportive" plans are not in place at many rail stations and major bus stops.
- u Development codes (e.x. Adequate Public Facilities ordinances) may have the unintended effect of limiting development near transit.

Developer Costs and Risks

- u Developers and lenders perceive higher risk with TOD than with alternative investments. Private sector "buy-in" to the TOD concept is needed.
- u Financial incentives are needed to finance TOD parking requirements.
- u Real estate markets often resist infill and inner-city locations

Location and Market Issues

- u The need for community-sensitive TOD designs challenges established developer practices
- u Transit stations are often located awkwardly from a development perspective.
- u The effectiveness of TOD depends on both origins and destinations being effectively served by transit, so a system-wide commitment to TOD is necessary.

- υ Current trends of suburbanizing population and employment are not supportive of TOD development.
- υ There are few models of TOD that reflect income and demographic diversity.

Public Perceptions and Acceptance

- υ Density and traffic issues related to TOD may result in community opposition
- υ It is often difficult to overcome community perceptions that TOD is “more development” and to substitute for that perception a message that emphasizes the increased safety and vitality benefits of TOD.

Government, Institutional and Policy Issues

- υ Revenue authority to finance TOD projects is not established.
- υ MDOT lacks clear authority to be involved in TOD.
- υ Tax increment financing authorities are often inadequate to support TOD.
- υ Infrastructure development practices are not structured to reward TOD.
- υ Transit service quality varies throughout the State.
- υ TOD planning requires a regional perspective, but the TOD planning and development takes place, and is regulated, at the local level.

III. TOD “VISION STATEMENT” AND DEFINITION

In addition to directing the TOD Task Force to identify primary and secondary benefits associated with Transit-Oriented-Development, the Governor also requested that the Task Force prepare a set of recommendations related to general and specific program opportunities and additional recommendations related to guidelines and methods supportive of Transit-Oriented-Development.

For the Task Force, crucial to both of these tasks was the establishment of two common understandings. First, the Task Force needed to develop—in light of the TOD benefits and barriers identified in Section II—a common understanding of the outcomes it expected from pursuing TOD. Next, the Task Force needed to agree on a common definition of Transit-Oriented-Development to guide the development of the recommended approaches it proposed to prepare. Together, these two statements provided the Task Force with a clear “destination” to work toward and a basis on which to formulate detailed, coherent recommendations.

The “Vision Statement” and TOD are presented below.

Task Force “Vision Statement”

We envision a Maryland where high-quality transit and walkable communities mean that citizens need not depend on cars to get around, but instead have a real choice in the means they use to get to work and school, do errands, and recreate. A Maryland where people of all incomes have a range of affordable housing choices.

Transit-Oriented-Development provides an alternative to the low-density sprawl and car-dependent land use patterns characteristic of most metropolitan regions across the country. Increased implementation of this alternative would expand the range of travel and living choices available to Marylanders, gradually reorganize the land use pattern of the state while providing important economic, environmental, social, and transportation benefits as well.

A growth and development strategy that incorporates thoughtfully planned Transit-Oriented-Development can be an effective tool to help:

- υ Substantially increase Maryland's competitiveness in terms of attracting and retaining business;*
- υ Reduce the amount of environmental damage associated with unchecked, low-density development patterns*
- υ "Breathe new life" back into existing communities;*
- υ Facilitate the implementation of Maryland's Smart Growth policies;*
- υ Increase the efficiency of and return on the State's transportation investments; and*
- υ Increase the range of real travel options, and make travel safer, for children, senior citizens, and those who depend on alternative transportation modes—such as bicycling, walking, transit and/or paratransit—for mobility.*

Realizing the many promises of Transit-Oriented-Development will take leadership, concerted effort at the state and local level, a spirit of partnership and flexibility, and respect for local communities.

To focus the Task Force's efforts, we have chosen to define Transit-Oriented-Development in the following way:

Transit-Oriented-Development is a place of relatively higher density that includes a mixture of residential, employment, shopping and civic uses and types located within an easy walk of a bus or rail transit center. The development design gives preference to the pedestrian and bicyclists, and may be accessed by automobiles.

This task force looks forward to taking up the worthy challenge of tightly weaving Transit-Oriented-Development into the fabric of Maryland's future.

It is important to make four important points regarding the Task Force's Vision Statement and its TOD Definition. First, both the Vision and the Definition are intended to apply to Transit-Oriented-Development statewide. This means that both the Vision and Definition are intended to apply to already urbanized areas, areas that are currently experiencing rapid urbanization, and areas that can either be expected to begin urbanizing within a planning timeframe or that will be strongly economically linked—through commuter travel and other linkages—to the State's urban centers.

Second, the Vision and Definition are both intended to encompass multimodal transit opportunities. In other words, though Transit-Oriented-Development is often associated with rail, there are many opportunities around the State to link Rail and Bus Service (local and regional) with land use development and redevelopment.

Third, the Vision and Definition are intended to support a wide-range of development, from low-density suburban areas, to urban areas in need of revitalization, and to areas with intense commercial, retail, and residential development opportunities. The Task Force's Vision and Definition are intended to encompass a Transit-Oriented future that provides solutions appropriate to the needs to the residents of, and employees working in, each of these kinds of settings and aims to avoid prescriptive, design-oriented solutions that focus on buildings rather than people.

Finally, what you are working toward is as important as how you get there. Creating TODs is a consensus-building exercise in which each party makes a substantive contribution to a TOD-supportive, community-appropriate environment, and an important outcome of promoting TOD is the partnerships that result from that process. The Task Force's Vision and Definition imply—and its recommendations attempt to support—a true partnership between and among the State, local governments, transit operators, the private sector and the public.

IV. TARGETED SOLUTIONS AND RECOMMENDATIONS

As stipulated, the Governor's Task Force on Transit-Oriented-Development has prepared a set of prioritized recommendations for promoting Transit-Oriented-Development around the State. These recommendations are organized into the following four areas: Planning and Zoning; Market Feasibility & Finance; Institutional Relations & Communications; and State Policies and Practices. Within each section, recommendations are presented in order of priority.

The Task Force recognizes the value to policy-makers of linking proposed solutions to the barriers that give rise to the proposed solutions. However, in considering the potential to organize the report in this way, the Task Force observes that categories of solutions do not link cleanly with categories of barriers. As a result, this report organizes proposed solutions in terms of categories of solutions.

Planning & Zoning

Transit is typically a regional planning issue, whereas TOD is a local planning issue. Local codes are not supportive of TOD at many of Maryland's rail stations and major bus stops. In many cases, new community sensitive zoning and design tools for TODs are required. In some cases, what is needed are better tools and guidance from the state. In other instances local Adequate Public Facilities Ordinances unintentionally serve to inhibit the achievement of TOD in Priority Funding Areas. The Task Force recommends that Maryland:

1. Examine development codes to identify barriers to TOD and recommend changes.
2. Link eligibility of State TOD incentives to local government adoption and implementation of TOD-friendly planning, zoning, TOD supportive infrastructure policies and financing, TOD supportive housing programs, and/or other measures. The specific characteristics of the linkage mechanism should be established by State staff through thorough analysis, but a mechanism could take any of a number of possible forms (e.g., the mechanism could be prescriptive or based on a "scorecard" approach; it could be based on eligibility criteria or could be competitive, etc.).
3. Support local government adoption and implementation of TOD-friendly planning, zoning, TOD supportive infrastructure policies and financing, TOD supportive housing programs, and/or other measures by developing model codes and by assisting in the local development of community-appropriate, customized solutions that implement the purpose and intent of the model TOD codes to promote active, income-diverse pedestrian- and transit-friendly communities.
4. Evaluate the implications of expanding the share of Maryland development occurring in TODs on: MDOT's capital program and operating budget; state environmental goals; and provision of public services.

Market Feasibility and Finance

A higher degree of public sector involvement is going to be necessary to achieve TOD on a broad scale in Maryland. Development and finance community perceptions limit TOD investment in some areas. Many of the areas where TOD is being pursued lack the land values and market strength to support relatively higher density, affordable mixed use TODs. Because of the great need, the Task Force is recommending a comprehensive package of finance techniques to fill the "gap" between what the market will support and what the community desires. We recommend the state:

1. Create a "capitalized" TOD Revolving Loan Fund through MDOT for "gap" financing for TODs. This program could be administered similarly to the DHCD program for Neighborhood Business Development Programs.

2. Define & implement a program for financing bicycle & pedestrian facilities in all TODs and for financing structured parking for TODs where the supply of parking has been “pinched” by the redevelopment of existing surface parking or by reductions in the amount of allowable parking in new residential and/or commercial development. The Maryland Transportation Authority could act as the financing agency.
3. Provide State’s Full Faith and Credit to TOD-Zone TIF Districts.
4. Selectively target the provision of appropriate “high technology” infrastructure to TOD areas (for smaller communities to enhance access to work)
5. Define and implement a Location Efficient Mortgage Program for the State of Maryland tied to TOD.
6. The State should adopt, adapt, implement, and promote an income or property tax credit or abatement program for TODs.

Institutional Relations & Communications

Partnerships are key to the effective implementation and realization of the benefits of TODs. Managing transportation demand at TODs is essential to addressing neighborhood concerns about density and traffic. An effective tool to advance those partnerships is the creation of Transportation Management Associations (TMAs) in TODs. We recommend the state:

1. Provide support for the creation of TMAs in TODs and adjoining areas.
2. Create an appointed “TOD Advisory Council” that functions as a Board of Directors for the process of (1) the State’s provision of support for local government adoption of TOD-friendly planning, zoning, infrastructure adequacy, housing, and/or other measures; and (2) developing linkages between eligibility for State TOD incentives and local government adoption of TOD-friendly planning, zoning, infrastructure adequacy, housing, and/or other measures.

State Policies & Practices

The State has a number of opportunities to support TOD development through changes to State law, modifications of established policy or practice, and amendments to the scope of allowable Agency and program activities. We recommend the state:

1. Authorize TOD as an Explicit Transportation-Related Purpose. Give a clear grant of authority to MDOT to make TOD an explicit transportation-related purpose and provide MDOT with increased flexibility to acquire and dispose of property for TOD purposes.
2. Study opportunities to emphasize TODs in existing state programs and investments (e.g. public buildings)
3. Establish policy for replacement of surface parking and the funding of structured parking for commuters, and establish policy for support of TMA applications for new development at TODs.

Appendix A

TASK FORCE MEMBERS

The Honorable John Bohanan, State Delegate

Sherry Burford, Frederick TransIT

Frank Coakley, Fannie Mae Corporation

John Lally, Attorney

Klaus Philipsen, Architectural Community, Baltimore AIA

John Porcari, Secretary of Transportation

The Honorable Catherine Pugh, City Council of Baltimore

Michael Replogle, Friends of Commuter Choice

The Honorable Ida G. Ruben, State Senator

The Honorable Peter Shapiro, Prince George's County Council

Michael Watkins, Residential Construction Community

Paul Zanecki, Maryland Economic Growth, Resource Protection and Planning Commission

Appendix B

DETAILED RECOMMENDATIONS OF THE TRANSIT-ORIENTED-DEVELOPMENT TASK FORCE

Recommendation 1
Planning and Zoning

Examine development codes to identify barriers to TOD and recommend changes.

Goal of the Recommendation

Local development codes often act as a barrier to TOD. Current development codes typically do not adequately or consistently address the unique needs of TOD.

This recommendation aims to analyze and evaluate development codes and identify barriers that inhibit land development in defined TOD areas. Further, it will develop targeted solutions to challenges posed by current methods, policies, and practices.

This recommendation is consistent with the TOD Task Force definition and major issues in that jurisdiction's with development codes that support TOD development will:

- Substantially increase Maryland's competitiveness in terms of attracting and retaining business;
- Breathe new life back into existing communities; and
- Facilitate the implementation of Maryland's smart growth policies.

Description of the Recommendation

Modifications and modernization of development codes can enable TOD while simultaneously enhancing public health, safety, or welfare. The State should examine the magnitude of the conflicts between current local regulatory tools, standards and programs and TOD. Development codes include, but are not limited to, zoning, stormwater management, parking, bulk requirements, density/FAR, street widths, subdivision, and the development review process. The State should examine the extent of this problem and develop solutions and programs, such as providing incentives and additional technical assistance for local jurisdictions, to modify development codes in accordance with TOD models and guidelines recommendation below.

Action

- Determine scope and parameters and level of effort of analysis and evaluation;
- Determine (in accordance to recommendations below) incentives and levels of technical assistance for local jurisdictions to modify development codes in accordance with TOD models and guidelines;

Strengths

- Addresses a major barrier to TOD development;
- Builds on smart codes efforts;

Issues

Local jurisdictions may resist process to evaluate their ordinances.

Recommendation 2
Planning and Zoning

Link eligibility of State TOD incentives to local government adoption and implementation of TOD-friendly planning, zoning, TOD supportive infrastructure adequacy, TOD supportive housing programs, and/or other measures. The specific characteristics of the linkage mechanism should be established by State staff.

Goal of Recommendation

TODs offer unique opportunities that are best utilized by special mixes of activities or distinct land use combinations. Successful TODs will require special considerations that are not typically encouraged or consistent with traditional planning and zoning tools. State incentives that sponsor the implementation of TOD must be linked to appropriate local actions that encourage TOD, such as the development and use of TOD supportive zoning, development codes, infrastructure policies and financing, and necessary other TOD-friendly programs. TOD supportive infrastructure policies and financing means that jurisdictions ensure the provision of infrastructure in areas targeted for TOD and Adequate Public Facilities Ordinances, or the like, do not inadvertently create development moratoria in areas targeted for TOD.

This recommendation is consistent with the TOD Task Force definition and major issues in that:

- If the TOD definition is implemented, zoning issues must be addressed. Specifically - “Transit-oriented development is a place of relatively higher density that includes a mixture of residential, employment, shopping and civic uses and types located within an easy walk of a bus or rail transit center”;
- Any incentive applied within TOD specific areas would be consistent across the state;
- Eligibility for incentives would be extended to *any project in a TOD zone around the state* that met—or would meet in future—all of the criteria of the TOD definition; and
- Incentives would serve a wide range of development district types, including districts oriented to a mix of employee and resident income levels.

Description of Recommendation

State incentives for TOD should be coupled to local actions and successes that support and implement TOD. In this way the State can serve as a partner and facilitator that encourages local jurisdictions to develop and use creative, community appropriate mechanisms to foster TOD. The State, in consultation with local jurisdictions, should establish the best method to link State programs with local jurisdiction actions and successes supporting TOD. Some local actions and successes include:

- The creation and implementation of zoning mechanisms that support TOD in defined TOD zones (ex. permitting “granny flats” in TOD);
- Plans and planning processes supporting TOD;
- Changes to development regulatory tools (e.x. APFO), programs, or policies that discourage TOD;
- Reconciliation of Adequate Public Facilities Ordinances with Growth Management Plans to ensure these ordinances do not inadvertently create development moratoria in TOD areas;

- Creation and/or use of housing programs and other programs as appropriate that encourage TOD.

Actions Required

- The State should formalize a relationship with local jurisdictions in regard to TOD;
- The State should undertake a process to define TOD incentives;
- The State should adequately fund TOD incentives;
- Scope and the extent of existing regulatory/policy/programs -TOD conflicts must be understood;
- Develop mechanisms to link State programs with a local jurisdiction's actions;
- The State should link eligibility of State TOD incentives to local government adoption and implementation of TOD-friendly planning, zoning, infrastructure adequacy, housing, and/or other measures; and,
- The General Assembly should pass legislation that requires the development of TOD models and guidelines and links the adoption and implementation of model TOD (or comparable) codes to financial and technical assistance incentives.

Strengths

- Creates a joint State/Local partnership designed for TOD areas to succeed;
- Implements performance based measures intended to award success;
- Implements TOD supportive policies, processes, development codes and zoning necessary to foster TOD;
- TOD zoning defines spatially the focal point for State (and local) incentives; and,
- Builds on local knowledge and ability to provide locally acceptable solutions.

Weaknesses

- Zoning not a perfect tool, build-out subject to market force; and,
- Criteria for TOD zones/areas must be identified so that TOD and TOD support is achievable.

Issues

- Agreements on the best process and methods must be established;
- Creation of a formal relationship (e.x. MOU/MOA) for a joint State/Local partnership designed for TOD areas to succeed;
- State support for the creation and implementation of zoning mechanisms that support TOD in defined TOD zones must be developed; and,
- Agreement is needed on appropriate mechanism(s) to develop incentives and incentive programs.

Recommendation 3
Planning and Zoning

Support local government adoption and implementation of TOD-friendly planning, zoning, TOD supportive infrastructure policies and financing, TOD supportive housing programs, and/or other TOD-friendly measures by developing model codes and by assisting in the local development of community-appropriate, customized solutions that implement the purpose and intent of the model TOD codes to promote active, income-diverse pedestrian- and transit-friendly communities.

Goal of Recommendation

Develop and customize codes, zoning, and community sensitive solutions that serve as the principal tool for implementing local planning policies and defining appropriate site development. Current codes typically do not adequately or consistently address the unique needs of TOD.

This recommendation aims to provide State support for creation and implementation of model zoning and development codes and cooperative state-local planning processes and partnerships that foster TOD in defined TOD areas.

This recommendation is consistent with the TOD Task Force definition and major issues in that if local governments adopt model codes, they will make it possible to:

- Breathe life back into communities through design and land use that promotes transportation choice and walkability, economic diversity, safety, increased commercial and retail activity, improved access to jobs, improved aesthetics and appeal of the built environment, and environmental restoration.
- Increase the efficiency of and return on the State's transportation investments through design and land use mix.

Description of Recommendation

The state should draft models and guidelines for TOD codes and, in partnership with local jurisdictions, modify and customize these models to fit the local context. The models and guidelines, customized to fit the local context, will be applicable in small town, suburban, and urban contexts, for areas served by bus or rail. The State should provide technical assistance and/or financial incentives to jurisdictions that adopt and implement these codes, comparable codes, or have comparable codes in place.

Actions Required

- MDP should work with MDOT and DHCD to develop TOD models and guidelines, similar to the process established for smart codes;
- State agencies should identify existing and potential new financial and technical assistance incentives to link to TOD codes and establish program parameters; and,
- The General Assembly should pass any necessary legislation linking adoption and implementation of model codes (or comparable) to state financial and technical assistance.

Strengths

- Builds on smart codes process.
- Pay-for-performance approach has been palatable to local jurisdictions.

Weaknesses

- Difficult to assess comparability of local codes to model code.

Issues

- May require legislative authority.
- Define a TOD models and guidelines process and product that can accommodate a range of needs for different types of communities.
- Need to identify specific incentives for adoption and implementation of the model codes.
- Costs unknown.

Recommendation 4
Planning and Zoning

Evaluate the implications of expanding the share of Maryland development occurring in TODs on: MDOT's capital program and operating budget; state environmental goals; and provision of public services.

Goal of the Recommendation

Currently there is little known about how focusing development in TOD could affect Maryland's natural environment and budget. The goal of this recommendation is to fully understand the environmental and fiscal impacts of focusing development into TODs on the state's natural resources and budget versus the "status quo" development patterns.

This recommendation is consistent with the TOD Task Force definition and major issues in that this will:

- Provide the further basis for continued implementation of Maryland's smart growth policies; and,
- Provide a solid foundation for continued discussions of the benefits and costs of TOD.

Description of the Recommendation

The State should perform multiple scenario analysis to evaluate how TOD might impact the MDOT's capital program and operating budget as well as the state environmental goals and provision of other public services. This would enable more comprehensive and efficient policy and program decision making and could save taxpayers millions of dollars in the unnecessary cost of building the infrastructure required to support sprawl (a major tenet of Smart Growth).

Actions Required

- Identify study scope and parameters;
- Determine if conflicts exist; and,
- Work cooperatively local governments to examine potential impacts.

Strengths

- Addresses information gaps on benefits of TOD development; and,
- Builds on Smart Growth principles.

Weaknesses

- A "planning study", and may not be quantitative enough for some; and,
- Benefits and costs unknown.

Issues

- Who will pay for the study;
- Who will lead the study; and,
- Post study - how should the study be used - must be addressed.

Recommendation 5
Market Feasibility and Finance

Create a “capitalized” TOD Revolving Loan Fund through MDOT for “gap” financing for TODs. This program could be administered similarly to the DHCD program for Neighborhood Business Development Programs.

Goal of Recommendation

One of the identified barriers to TOD implementation is the difficulty that developers have in obtaining development financing. The reason for this difficulty is that established lending guidelines are oriented towards single-use, auto-dependent land uses, and lenders are often reluctant to issue loans to mixed-use, transit-oriented projects whose risk profiles can not be evaluated with respect to current industry standards.

The TOD revolving loan fund (RLF) aims to address this obstacle by establishing a State-mechanism for providing TOD project financing to projects that confront the difficulty described here.

This recommendation is consistent with the Task Force’s TOD definition and major issues in that:

- eligibility for RLF loans would be extended to *any project in a TOD zone around the state* that met—or would meet in future—all of the criteria of the TOD definition; and
- RLF loans would be made available to all qualified applicants, including applicants proposing projects oriented to a mix of employee and resident income levels.

Description of Recommendation

To function as envisioned, the TOD RLF would achieve its goal by issuing loans to developers at interest rates and with terms that are favorable. The TOD RLF would emphasize providing gap financing for TOD projects, but would retain the flexibility to provide substantial project financing if needed. Principal and interest payments to the RLF would be used to recapitalize the fund.

To implement this recommendation, the RLF will require an initial capitalization and, perhaps, subsequent capitalizations to ensure that project funding is available for additional loans until the stream of principal and interest repayment becomes sufficient to support ongoing lending activity by the RLF without additional infusions of capital. Fund capitalization may be provided by a combination of sources, including state transportation trust funds, and/or other state or local revenue sources as available, eligible, and appropriate.

The RLF could be administered similarly to DHCD’s program for Neighborhood Business Development programs, or even under the current DHCD program’s existing authority, modified for the specific purpose of the RLF.

Actions Required

Decisions on total capitalization levels and capitalization sources, and resolution of issues described below under “Issues” heading.

Strengths

- Targets wide range of development project types; and,
- Appropriate vehicle for getting TOD projects “over the hump.”

Weaknesses

Range of RLF eligibility may be limited by number of jurisdictions that adopt TOD-friendly zoning ordinances.

Issues

Specifics of this proposal that require further consideration include:

- Equity contribution requirements for borrowers;
- Guidelines on interest rate levels to be used;
- Guidelines on repayment terms to be used;
- Guidelines on total amount that may be loaned annually.

Recommendation 6
Market Feasibility and Finance

Define & implement a program for financing bicycle & pedestrian facilities in all TODs and for financing structured parking for TODs where the supply of parking has been “pinched” by the redevelopment of existing surface parking or by reductions in the amount of allowable parking in new residential and/or commercial development. The Maryland Transportation Authority could act as the financing agency.

Goal of Recommendation

Successful TOD implementation has been linked to the ability to finance structured parking and bicycle and pedestrian amenities. These needs are often created by market, finance, or regulatory forces, but serve as a barrier (particularly in combination with zoning) to TOD friendly densities and design. Further, the high cost of providing structured parking and bicycle and pedestrian amenities inhibits the market feasibility of TOD and serves as a barrier to financing TOD appropriate site development. State financial support of structured parking and bicycle and pedestrian amenities is necessary and appropriate for the success of TOD in those areas where proper transportation demand measures and parking and loading standards have been implemented.

This recommendation is consistent with the Task Force’s TOD definition and major issues in that:

- Eligibility for financing of parking structures would be extended to *any project in a TOD zone around the state* that met—or would meet in future—all of the criteria of the TOD definition; and,
- Parking structures and bicycle and pedestrian amenities would serve a wide range of development district types, including districts oriented to a mix of employee and resident income levels.

Description of Recommendation

To support TODs, the Task Force recommends that the State of Maryland develop a program to fund parking structures and bicycle and pedestrian amenities. This program would aim to fill the market needs for parking in TOD areas, and would be limited to TOD areas that have defined and implemented all steps necessary to discourage the need for parking and encourage walking and bicycling. These steps include, but are not limited to, implementing a full range of transportation demand management policies and practices and reducing parking and loading standards for permitted uses within the area. It is further recommended that, properly enabled, the Maryland Transportation Authority (MdTA) be used as a financier of parking structures necessary in these TOD areas.

Actions Required

- Establish/create TOD areas/zones to determine needs and focus parking structure incentives;
- Eligibility requirements and criteria for funding parking structure and bicycle and pedestrian amenities must be developed;
- Define program parameters and operations - identify role and responsibilities of MdTA, or other, finance partner must be developed;

- Award system must be developed.

Strengths

- Structured parking and bicycle and pedestrian amenities will bolster existing markets and create new markets;
- It is considered a necessity to overcome market weaknesses;
- Structured parking areas can serve multiple functions from auto storage, to revenue generator, to serving as a staging area for future development phasing.

Weaknesses

- Uncertain costs associated with program;
- Uncertain revenue generation sufficient to pay for MdTA bond debt.

Issues

- While MdTA can justify involvement in individual cases, it may not be able to without enabling legislation;
- Local jurisdictions and/or parking authorities may have policies and programs that conflict with MdTA revenue bonding and financing.

Recommendation 7
Market Feasibility and Finance

Provide State's Full Faith and Credit to TOD-Zone TIF Districts.

Goal of Recommendation

Tax Increment Finance (TIF) Districts offer a potential mechanism for bond financing of TOD-zone infrastructure with “new” funds (where the new funds are new property tax revenues created by new TOD-zone development). A significant weakness of many TIF’s however, is that the potential purchasers of TIF bonds may be reluctant to commit to a repayment schedule that is at-risk for future fluctuations in real estate markets and, as a consequence, principal and interest repayment from anticipated new property taxes.

This recommendation aims to address this obstacle by reducing or eliminating the repayment risk to potential purchasers of TIF-based bonds.

This recommendation is consistent with the Task Force’s TOD definition and major issues in that:

- Eligibility for TIF bonds would be extended to *any project in a TOD zone around the state* that met—or would meet in future—all of the criteria of the TOD definition; and
- TIF bonds would be a potential funding vehicle for a wide range of development district types, including districts oriented to a mix of employee and resident income levels.

Description of Recommendation

Establish State policy to back TOD-zone TIF bond financing with State’s full faith and credit.

Actions Required

- Identify State office with authority to provide full faith and credit; and
- Develop criteria for eligible projects that the state could support.

Strengths

Existing TIF legal infrastructure in place. Reducing risk should make TOD-zone infrastructure financing easier to obtain because there would be: (a) more potential bond buyers and (b) lower interest rates on bonds.

Weaknesses

Potentially puts the State at risk to repay debt unsupportable by pace of TOD development.

Issues

- What authority does State have to authorize use of its full faith and credit;
- What limit does the State put on its total exposure to risk;
- Implementation depends on existence of state-designated TOD zones.

Recommendation 8
Market Feasibility and Finance

Selectively target the provision of appropriate “high technology” infrastructure to TOD areas (for smaller communities to enhance access to work).

Goal of the Recommendation

Place State financed “high technology” infrastructure, such as fiberoptic cables, in TOD areas as a means to lure development into TOD areas.

This recommendation is consistent with the Task Force’s TOD definition and major issues in that:

- Eligibility for state financed “high technology” infrastructure would be extended to *any project in a TOD zone around the State* that met—or would meet in future—all of the criteria of the TOD definition; and
- State financed “high technology” infrastructure would serve a wide range of development district types, including districts oriented to a mix of employee and resident income levels.

Description of Recommendation

Selectively focus State spending and policy on fiberoptic networks in TOD areas.

Actions required

- Identify TOD areas;
- Create TOD zones to focus incentives;
- Analyze current expenditures and policies on “high technology” infrastructure to determine compatibility issues with recommendation.;
- Change spending or policies on State financed “high technology” infrastructure as appropriate to reflect recommendation.

Strengths

- Encourage technology job development to support TOD;
- Incentive could be applied broadly statewide.

Weaknesses

- Nature of “new economy” fast-paced and often unpredictable and unstable.

Issues

- This was not a clear recommendation from the Task Force.

Define and Implement a Location Efficient Mortgage Program for the State of Maryland tied to TOD

Goal of Recommendation

The need to reverse trends in outward population movement from existing communities to low density sprawl and the need to expand the range of living choices available to Marylanders have been raised as issues that can be addressed through implementation of TOD. For TOD to attract residential developers there must be a confidence that the product will sell. For TOD to attract a diversity of home buyers there must be a financial product that qualifies a wider range of persons and also encourages the purchase of homes near transit rather than in low density sprawl.

The Location Efficient Mortgage (LEM) aims to address this obstacle by providing a private sector mortgage product that allows for extra home buying power in areas located around transit, thereby broadening the range of home buyers who could purchase in a TOD versus other areas of the State.

This recommendation is consistent with the Task Force's TOD definition and major issues in that it:

- Promotes residential homeownership within an easy walk of a bus or rail transit center;
- LEMs would increase housing opportunities and choices by qualifying a broader range of homebuyers who are locating within area around transit;
- Supports transit, pedestrians, and bicyclists and rewards ownership and use of only one car;
- Helps build developer confidence by providing an attractive mortgage product available only in TOD communities.

Description of Recommendation

The Location Efficient Mortgage would allow lenders to recognize the savings made by a household whose primary means of transportation is public transit rather than the private automobile. Thus lenders can "stretch" their standard debt-to-income ratio, ensuring that more low- and moderate-income families, first time homeowners and dedicated transit users can obtain mortgages, or larger mortgages than they otherwise would qualify for.

This recommendation would require the State, in conjunction with lending, housing and transit organizations to define, develop, market and implement a LEM program for communities near transit that espouse the elements of TOD.

Location Efficient Mortgages would be offered by private lending institutions and backed by the private secondary mortgage market. A State agency or private entity would develop and maintain:

- Maps showing the geographic location of communities eligible for the LEM; and
- A system for calculation of the location efficient value for each mortgage, or in other terms the mortgage amount a homebuyer would qualify for based on location and automobile ownership.

Actions Required

- Definition and design of LEM requirements and calculations;
- Development of a statewide LEM map;
- Development of transit incentive for homebuyers using the LEM;
- Obtaining a commitment from secondary mortgage market to back LEMs;
- Marketing program to local lenders;
- Marketing program to perspective homeowners and developers.

Strengths

- Program operates in the free market financial arena, rather than as a State subsidized mortgage program.;
- Does not require a substantial State financial investment, State funding at most would be limited to program marketing and development of LEM map.

Weaknesses

Issues

Specifics of this program that require further consideration include:

- Will borrowers be overextended;
- This is a new concept, and there is no track record of success in other pilot areas around the country;

Additionally, the following questions need resolution:

- What are the ongoing maintenance costs for LEM maps?
- What level of marketing is necessary to make this work?
- Does Maryland have enough residential development around transit that is on the ground or in the pipeline to make the program a worthwhile investment for lenders or the State? And,
- Has the LEM been successfully for bus lines as well as fixed rail?

Recommendation 10
Market Feasibility and Finance

The State should adopt, adapt, implement, and promote an income or property tax credit or abatement program for TODs.

Goal of Recommendation

Changing personal and market perceptions that inhibit TOD will address significant barriers to TOD. Given the right incentives a wide range of public policy objectives could neatly fit into TODs. Income or property tax credit or abatement programs could serve as a significant incentive that would benefit all income levels, address growth and congestion management needs, and revitalize communities. The State should create, provide, and promote a tax incentive(s) to work and live within and support TOD areas.

This recommendation is consistent with the TOD Task Force definition and major issues in that:

- Any incentive applied within TOD specific areas would be consistent across the State;
- Eligibility for incentives would be extended to *any project in TOD zone around the State* that met—or would meet in future—all of the criteria of the TOD definition; and
- Incentives would serve a wide range of development district types, including districts oriented to a mix of employee and resident income levels.

Description of Recommendation

Creation/adaptation, implementation, and promotion of income and/or property tax credits or abatements to support TOD areas.

This initiative could be entirely new or folded into (as an enhancement to) existing programs.

Actions Required

- Define TOD areas to focus incentives;
- Examine existing State programs and determine best and most appropriate tax credit and/or abatement approach; and,
- Program eligibility requirements and criteria must be developed.

Strengths

- Emphasizes Smart Growth principles; and,
- Pulls market into TOD areas.

Weaknesses

- Costs are unknown; and,
- Considerable analysis is necessary to determine best method and approach.

Issues

Incentives and costs should be closely and carefully considered.

Provide support for the creation of TMAs in TODs and adjoining areas.

Goal of Recommendation

Elements of a successful TOD include high mode share for transit and a strong awareness by residents and businesses that transit is available. Transportation Management Associations (TMAs) can provide this link by developing transit services and promoting them within a defined target area.

Description of Recommendation

To support TODs, the Task Force recommends that the State of Maryland develop a program to fund TMAs.

TMAs supported through this program would be charged with both promoting transit usage and TOD, including input into the local development review process in favor of transit-oriented mixed uses; management of parking; and day to day promotion of the community as a place to enjoy the benefits of transit.

The program should provide both short and long-term funding for TMAs which in turn should be not-for-profit organizations with leadership from the local community. The State funding should phase out over a period of five years with the goal of creating a self-sustaining organization.

The creation of TMAs is also a recommendation of “Getting There: The Maryland Comprehensive Transit Plan.”

Actions Required

- Develop State funding program for TMAs, including initial start-up and on-going operation;
- Identify communities likely to support a TMA; and,
- Identify local organization with communities that could house and manage the new TMA.

Strengths

- TMAs are a proven mechanism to promote transit ridership in communities with high levels of service and large public and private employers;
- TMAs can be flexible and client-oriented, frequently taking on other responsibilities such as business promotion, sanitation services and advocacy; and,
- Because TODs are places where a high priority is placed on transit service, it makes sense to promote TMAs in these same locations.

Weaknesses

- Maryland has very few successful TMAs, successes include the BWI Business Partnership, the Annapolis Regional Transportation Management Association, and the North Bethesda Transportation Management Association; and,
- TMAs seem to need a larger mission to remain viable, particularly when they lack a dependable funding source and instead rely on member contributions.

Issues

- Consideration must be given as to the specific relationship between the traditional role of TMAs and TOD;
- TMAs may not be experts in the development arena where TODs will succeed or fail; and,
- The financial needs of a number of TMAs will be considerable and the State currently does not have any program or budget to support them.

Create an appointed “TOD Advisory Council” that functions as a Board of Directors for the process of (1) the State’s provision of support for local government adoption of TOD-friendly planning, zoning, infrastructure adequacy, housing, and/or other measures; and (2) developing linkages between eligibility for State TOD incentives and local government adoption of TOD-friendly planning, zoning, infrastructure adequacy, housing, and/or other measures.

Goal of Recommendation

The TOD Task Force has identified essential components to support TOD. However, its mission was broadly focused and short-lived. An important next step is the creation of a standing entity or body that maintains and embodies the commitment and communication support needed to foster TOD. Such a body would provide a long-term focus, and provide recommendations to the State on strategies and policy direction needed to invigorate and stimulate land development in TOD zones. The State should create a “TOD Advisory Council” to provide guidance to the State on the best methods and processes to implement the recommendations of the TOD Task Force.

This recommendation is consistent with the TOD Task Force definition and major issues in that TOD is a powerful remedy to sprawl and its success or failure – statewide - is dependent upon the abilities of successful future partnerships between state and local governments, private companies and Maryland’s citizens.

Description of Recommendation

The “TOD Advisory Council” would be the entity accountable in determining how TOD can best serve the State. It would offer guidance on long-term focus, strategies, and policies needed to invigorate and stimulate land development in TOD zones, and how to best utilize partnerships between state and local governments, private companies and the public.

The “Council” would also advise the State on its efforts to develop model codes, perform studies on TOD, and support local government adoption of TOD-friendly; codes, policies, and other means to support TOD. In addition it would provide advice to the State on best practices, criteria and methods to link State TOD incentives with local actions supporting TOD. Further, the “Council” could serve to coordinate inventories of available and underused land surrounding transit facilities.

Actions Required

- Develop a refined Advisory Council mandate and mission/purpose;
- Legislatively enable Advisory Council; and,
- Staff and fund Advisory Council.

Strengths

- Is more comprehensive in approach and likely to produce lasting partnerships;
- Long term commitment to TOD; and,
- Can be used to “pull” market into TOD areas, rather than “push”.

Weaknesses

- Costs unknown; and,
- Considerable analysis is necessary to determine best structure of “Advisory Council”.

Issues

- Nature of work would necessitate a broad participation from many State agencies. MDOT, MDP, DHCD, DBED, MDE, DNR are likely to need to provide staff; and,
- Need to clarify to whom the Council provides its recommendations, and how they are carried out.

Authorize TOD as an Explicit Transportation-Related Purpose. Give a clear grant of authority to MDOT to make TOD an explicit transportation-related purpose and provide MDOT with increased flexibility to acquire and dispose of property for TOD purposes.

Goal of Recommendation

Maryland's significant transit investments alone do not realize their full potential in implementing TOD and Neighborhood Conservation initiatives that support the State's Smart Growth Act and encourage coordinated transportation and land use planning. The introduction of legislation to amend various sections of the Transportation Article would legitimize and define TOD as a transportation-related purpose, provide policy and process guidance for TOD at MDOT/MTA, and establish MDOT/MTA powers, duties, and planning requirements in relation to TOD.

Description of Recommendation

Introduce, or cause to be introduced, specific amendments to Transportation Articles that would define TOD, provide MDOT/MTA with authority to utilize land holdings in conjunction with the private sector for TOD, and expand the definitions of the transportation system to include TOD. These amendments would clarify MDOT/MTA roles and responsibilities in the planning, promoting and implementing TOD projects and defining what additional information should be included in transit plans for TOD projects.

Actions Required

Draft and submit proposed legislation to the Governor for introduction to the General Assembly. Obtain endorsement of the Task Force and other constituencies.

Strengths

Formal definition and authorization of TOD as a transportation-related purpose will establish TOD as a core transportation function and legitimize the expenditure of State funds to support it.

Weaknesses

TOD is a somewhat vague concept that could be misinterpreted by public officials and the private sector to include activities that do not further the transportation and smart growth mission of the State.

Issues

- There may be organizational confusion between MDOT, DBED and local development agencies over the role of each in TOD projects; and,
- Legislative initiatives may have opposition from local jurisdictions that feel their zoning and land use authorities are being eroded.

Study Opportunities to Emphasize TODs in Existing State Programs and Investments.

Goal of Recommendation

The State makes many public investments and has a plethora of policies and programs that guide and implement the government's decisions. This is true for local governments as well. The observation has been made that State practice does not always follow State policy. In some cases, State programs and policies may be at odds with the principles of TOD, while others may be able to support TOD but are not recognized as doing so.

Studying opportunities that exist in State investments, programs, and policies to emphasize TOD aims to address this obstacle. A study that reviews those investments, policies, and programs can ensure they do not run contrary to TOD and encourage equity and diversity. The study would be used to modify programs, policies and investment decisions to reinforce and support the implementation of TOD.

This recommendation is consistent with the Task Force's TOD definition and major issues in that:

- Focuses existing State resources on encouraging TOD;
- Serves as a model for local jurisdictions to examine investments, policies and programs as related to TOD.

Description of Recommendation

Study existing State investments, programs, and policies to investigate and recommend changes to decision models that will support TOD.

Actions Required

Governor should appoint a State agency or committee to perform study.

Strengths

- Can be undertaken at minimal cost to State government;
- Has the potential to use the State's existing resources more efficiently and effectively; and,
- Doesn't require new programs or capital funding.

Weakness

Resistance from local governments to any changes in requirements to obtain existing State resources.

Issues

Specifics of this recommendation that will require further consideration include:

- Receptiveness of State agencies to study and proposed changes;
- Whether significant changes are possible in state programs that will provide benefit TOD;
- Whether uncommitted resources exist to allow for changes; and,
- Whether TOD conflicts with other policy priorities the State is undertaking.

Recommendation 15
State Policies & Practices

Establish policy for replacement of surface parking and the funding of structured parking for commuters, and establish policy for support of TMA applications for new development at TODs.

Goal of Recommendation

Replacing surface parking with structured facilities in TODs is an expensive and complex issue that must be considered in the context of a particular station area and transit system. The State should establish logical and flexible criteria and policies for determining funding of replacement surface parking with structured parking.

Description of Recommendation

The Task Force recommends that the State of Maryland (in cooperation with local transit providers as appropriate) establish a policy for replacement of surface parking in TODs. In general, providing parking is counter to the goal of encouraging transit ridership because it makes the development more attractive to end users (residents, employees, customers, etc.) who use cars to drive, but the Task Force recognizes that there are generally two situations that require the provision of parking in TODs:

1. Parking at a station is necessary for riders who do not live within walking distance, or
2. Parking is necessary to support commercial and residential development because even in a setting that is very favorable to transit some end users (residents, employees, customers, etc.) will still require it.

The Task Force also recognizes situations when parking is required by code and not by the market and that in these situations due diligence should be paid to minimize parking required in TOD. In combination with Recommendation #6, State criteria and policy for financial support of structured parking and bicycle and pedestrian amenities in TODs should generally go to those TOD zones/areas where TOD-friendly transportation demand measures and parking and loading standards have been implemented.

The State should establish criteria and evaluate TOD areas to determine which makes most sense to replace surface parking with structured. The State should consider, among other things, the local jurisdictions development codes (e.x. parking & loading requirements) and if the formation of a TMA would serve to reduce parking demand.

Actions Required

- Determine criteria for replacement parking by transit system;
- Determine approach and appropriateness of TMAs (in coordination with # 11);
- Develop mechanism to fund structured parking (in coordination with recommendation # 6 above); and,
- Develop an evaluation process for funding and TMA requests.

Strengths

- It would encourage station-oriented community planning that result in clear expectations by adjacent residents about the future function of the station.

Weaknesses

- May be difficult to manage expectations; and,
- Costs are unknown and may be great.

Issues

Successful implementation of this recommendation will depend on developing and applying good criteria and completing appropriate planning for each station area that show how a program can be developed in a way that benefits current and future residents.

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